Helios Techno

August 7, 2009

Summary of Financial Results for the First Quarter of Fiscal Year Ending March 31, 2010
(Three Months Ended June 30, 2009)

Company name: Helios Techno Holding Co., Ltd. Listing: Tokyo Stock Exchange, First Section; JASDAQ
Stock code: 6927 URL: http://www.heliostec-hd.co.jp/
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Scheduled date of filing of Quarterly Report: August 12, 2009
Scheduled date of payment of dividend: -

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2009 (April 1, 2009 – June 30, 2009)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2009	1,762	4.3	(173)	-	(174)	-	(190)	-
Three months ended Jun. 30, 2008	1,690	-	71	-	120	-	76	-

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2009	(8.89)	-
Three months ended Jun. 30, 2008	3.52	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2009	10,857	8,353	76.9	377.81
As of Mar. 31, 2009	9,038	8,330	92.2	402.85

Reference) Shareholders' equity (million yen) Jun. 30, 2009: 8,353 Mar. 31, 2009: 8,330

2. Dividends

	Dividend per share				
Record date	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2009	-	2.25	-	2.25	4.50
Fiscal year ending Mar. 31, 2010	-				
Fiscal year ending Mar. 31, 2010 (forecast)		0.00	-	2.00	2.00

Note) Revision of dividend forecast during the period: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	3,850	6.7	(241)	-	(249)	-	(259)	-	(11.80)
Full year	8,969	46.7	(23)	-	(32)	-	(85)	-	(3.90)

Note) Revision of consolidated forecasts during the period: None

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): Yes

Newly added: 4 (PHOENIX Electric Co., Ltd., Nippon Gijutsu Center Co., Ltd., Nippon Gijutsu Center S&C Co., Ltd., and NAKAN Techno Co., Ltd.)

Excluded: -

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 4 for further information.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 4 for further information.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards: None

2) Other changes: Yes

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 4 for further information.

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury stock)

As of Jun. 30, 2009:	22,806,900 shares	As of Mar. 31, 2009:	22,806,900 shares

2) Number of treasury stock at the end of period

As of Jun. 30, 2009:	695,966 shares	As of Mar. 31, 2009:	2,128,476 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2009:	22,638,678 shares	Three months ended Jun. 30, 2008:	21,678,478 shares

* Cautionary statement with respect to forward-looking statements

The forecast of operating results is based on information available to management at the time this report was prepared. Readers should be aware that actual results may differ from these projections for a number of factors. Please refer to "Qualitative Information Regarding Consolidated Forecasts" on page 4 for further information concerning these forecasts.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Results of Operations

In the first quarter, even as inventory reductions continued, there were signs of an end to the downturn of the Japanese economy as some companies started increasing production. However, economic activity in Japan remains extremely low and corporate earnings continue to fall. In this environment, there is still no end to the decline in capital expenditures and employment.

In response to these challenges, the Helios Techno Group took steps to diversify business operations beyond the core lamp business. Early in the fiscal year, there was a management integration with Nippon Gijutsu Center Co., Ltd., which manufactures primarily industrial equipment. In addition, NAKAN Techno Co., Ltd., a newly established subsidiary, purchased on July 28, 2009 the operations of NAKAN Corporation, which consist mainly of the production of polyimide alignment layers.

Due in part to the inclusion of sales of Nippon Gijutsu Center Co., Ltd., first quarter net sales increased 4.3% to 1,762 million yen.

Results of operations by business segment were as follows.

In the lamp business, demand for front projector lamps continues to fall because of the global economic recession. The resulting reduction in inventory caused sales to fall 50.6% to 593 million yen. In the market for general lighting lamps, demand was affected by the recession, but sales increased 1.4% to 249 million yen as performance benefited from the introduction of LED lamps. Overall, sales in this segment, including merchandise sales, fall 40.4% to 1,008 million yen.

In the industrial equipment business, deliveries of liquid crystal inspection equipment were made as planned and deliveries of smaller equipment were also as planned. The result was sales of 329 million yen.

In the staffing services business, there have been many terminations of temporary staffing contracts by companies in Japan. Despite this difficult business climate, performance of the staffing services business has been relatively stable because this business handles primarily employees with technical skills. The result was sales of 424 million yen.

With regard to expenses, group companies took many actions aimed at reducing fixed expenses wherever possible. Cost-cutting measures targeting the cost of sales and other expense categories included reducing the number of operating days, streamlining administrative departments and lowering other expenses for the entire group.

As a result, net sales totaled 1,762 million yen and there was an operating loss of 173 million yen, a recurring loss of 174 million yen, and a net loss of 190 million yen.

2. Qualitative Information Regarding Consolidated Financial Position

Assets

Current assets increased by 1,052 million yen from the end of the previous fiscal year. This was mainly due to a 560 million yen increase in notes and accounts receivable, a 500 million yen increase in securities, and a 277 million yen decrease in cash and deposits with banks.

Fixed assets increased by 765 million yen from the end of the previous fiscal year, mainly due to a 317 million yen increase in goodwill and a 153 million yen increase in insurance funds (investments and other assets, others).

As a result of the above, total assets increased 20.1% from the end of the previous fiscal year to 10,857 million yen.

Liabilities

Current liabilities increased 902 million yen from the end of the previous fiscal year. This mainly reflects increases in notes and accounts payable of 461 million yen, accrued expenses (current liabilities, others) of 139 million yen, and other accounts payable (current liabilities, others) of 104 million yen.

Long-term liabilities increased 892 million yen from the end of the previous fiscal year. This mainly reflects increases in long-term borrowings of 665 million yen, and accrued employees' retirement benefits of 155 million yen.

As a result, total liabilities increased 253.3% from the end of the previous fiscal year to 2,503 million yen.

Net assets

Total net assets increased 0.3% from the end of the previous fiscal year to 8,353 million yen. This increase was the net result of declines due to the first quarter net loss of 190 million yen, a deduction of 252 million yen from the exchange of stock and cash dividends paid of 46 million yen, and an increase of 507 million yen because of the decline in the number of shares of treasury stock in association with the exchange of stock.

3. Qualitative Information Regarding Consolidated Forecasts

At this time, the Company maintains its consolidated forecasts for the first half and full year of fiscal year ending on March 31, 2010 announced on May 15, 2009, when we released the financial results for the fiscal year ended March 31, 2009.

Subsidiary NAKAN Techno Co., Ltd., which was established on June 28, 2009, purchased the business operations of NAKAN Corporation on July 28, 2009 and is currently preparing its business plan. Including the effect of this acquisition, the consolidated forecast for the fiscal year ending on March 31, 2010 will be announced once this business plan has been finalized.

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation)

The following companies have been included in the scope of consolidation beginning with the first quarter of the current fiscal year: PHOENIX Electric Co., Ltd., which was established through a divestiture; Nippon Gijutsu Center Co., Ltd., which was acquired through a cash payment and exchange of stock, and its subsidiary Nippon Gijutsu Center S&C Co., Ltd.; and NAKAN Techno Co., Ltd., which was newly established.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

1) Valuation of inventories

For inventories at the end of the first quarter of the current fiscal year, a valuation was determined by using book values. No physical inventory count was performed.

In valuation (write-down) of inventory, inventories were not revalued at the end of the first quarter since there was no material change in the value of inventories.

2) Calculation of income taxes and deferred tax assets

The amount of income taxes paid is calculated using only significant taxable and deductible items and tax credit items.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

Provision for loss on construction contracts

The Group has adopted “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan (ASBJ) Statement No. 15) and “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18) from the first quarter of the current fiscal year.
As a result, for transactions based on construction contracts, losses have been recognized for projects where the estimated cost of construction exceeds the value of the order as of the end of the quarter.

The effect of this change was to increase operating loss, recurring loss and loss before income taxes by 8 million yen each, compare to the previous method.

5. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	First quarter of FY3/10 (As of Jun. 30, 2009)	FY3/09 Summary (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and deposits with banks	3,772,879	4,050,675
Notes and accounts receivable	1,611,991	1,051,493
Securities	500,082	-
Merchandise and finished goods	241,256	207,017
Work in process	367,689	190,606
Raw materials and supplies	413,096	340,690
Others	240,059	250,986
Allowance for doubtful accounts	(4,251)	(1,624)
Total current assets	7,142,806	6,089,846
Fixed assets		
Property, plant and equipment		
Buildings and structures	1,202,925	1,103,708
Land	1,116,925	1,001,437
Others	727,384	733,839
Total property, plant and equipment	3,047,235	2,838,985
Intangible assets		
Goodwill	317,752	-
Others	33,299	29,404
Total intangible assets	351,051	29,404
Investments and other assets		
Others	325,759	90,229
Allowance for doubtful accounts	(9,614)	(9,531)
Total investments and other assets	316,145	80,698
Total fixed assets	3,714,432	2,949,088
Total assets	10,857,239	9,038,935

(Thousands of yen)

	First quarter of FY3/10 (As of Jun. 30, 2009)	FY3/09 Summary (As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable	766,441	304,966
Current portion of long-term borrowings	71,820	-
Accrued income taxes	5,450	9,947
Accrued bonuses	172,036	75,142
Provision for product warranties	6,300	7,900
Provision for loss on construction contracts	8,306	-
Others	494,239	223,951
Total current liabilities	1,524,595	621,908
Long-term liabilities		
Long-term borrowings	665,715	-
Accrued employees' retirement benefits	155,112	-
Others	158,142	86,639
Total long-term liabilities	978,970	86,639
Total liabilities	2,503,565	708,547
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,311,745	2,563,867
Retained earnings	4,147,153	4,384,368
Treasury stock	(248,110)	(754,979)
Total shareholders' equity	8,343,966	8,326,433
Valuation and translation adjustments		
Unrealized holding gain on other securities	9,708	3,954
Total valuation and translation adjustments	9,708	3,954
Total net assets	8,353,674	8,330,388
Total liabilities and net assets	10,857,239	9,038,935

(2) Consolidated Statements of Income
(For the Three-month Period)

(Thousands of yen)

	First three months of FY3/09 (Apr. 1, 2008 – Jun. 30, 2008)	First three months of FY3/10 (Apr. 1, 2009 – Jun. 30, 2009)
Net sales	1,690,259	1,762,140
Cost of goods sold	1,237,181	1,416,932
Gross profit	453,077	345,207
Selling, general, and administrative expenses	381,219	518,215
Operating income (loss)	71,857	(173,007)
Non-operating income		
Interest income	3,235	2,688
Dividend income	712	630
Foreign exchange gains	42,350	-
Miscellaneous revenue	3,282	7,003
Total non-operating income	49,581	10,323
Non-operating expenses		
Interest expense	429	3,439
Loss on valuation of investment securities	251	-
Foreign exchange losses	-	8,365
Total non-operating expenses	680	11,804
Recurring profit (loss)	120,758	(174,488)
Extraordinary income		
Reversal from allowance for doubtful accounts	344	2,049
Total extraordinary income	344	2,049
Extraordinary loss		
Loss on disposal of fixed assets	29	164
Others	-	100
Total extraordinary losses	29	264
Income (loss) before income taxes	121,073	(172,703)
Income taxes-current	46,785	3,334
Income taxes-deferred	(2,084)	14,650
Total income taxes	44,700	17,985
Net income (loss)	76,372	(190,688)

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	First three months of FY3/09 (Apr. 1, 2008 – Jun. 30, 2008)	First three months of FY3/10 (Apr. 1, 2009 – Jun. 30, 2009)
Cash flows from operating activities		
Income (loss) before income taxes	121,073	(172,703)
Depreciation and amortization	135,605	85,368
Amortization of goodwill	-	16,723
Increase (decrease) in accrued bonuses	(1,512)	9,115
Increase (decrease) in allowance for doubtful accounts	(344)	(89)
Increase (decrease) in provision for loss on construction contracts	-	8,306
Increase (decrease) in provision for product warranties	3,640	(1,600)
Interest and dividend income	(3,947)	(3,319)
Interest expense	429	3,439
Loss (gain) on valuation of investment securities	-	(670)
Loss on disposal of fixed assets	-	164
Decrease (increase) in notes and accounts receivable	61,235	774,972
Decrease (increase) in inventories	(21,871)	(131,416)
Decrease (increase) in other accounts receivable	134,625	(6,251)
Increase (decrease) in notes and accounts payable	24,642	(491,455)
Increase (decrease) in accrued consumption taxes	3,376	(1,940)
Increase (decrease) in other accounts payable	30,120	(46,010)
Others	2,945	21,055
Subtotal	490,020	63,686
Interests and dividends received	2,276	3,220
Interests paid	(429)	(3,439)
Income taxes paid	(7,433)	(16,355)
Net cash provided by operating activities	484,434	47,113
Cash flows from investing activities		
Proceeds from time deposits	-	1,800,000
Proceeds from cancellation of insurance funds	-	57,159
Payment for purchases of property, plant and equipment	(32,511)	(20,691)
Payment for purchases of intangible assets	(7,018)	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	211,421
Others	193	(3,399)
Net cash provided by (used in) investing activities	(39,336)	2,044,489
Cash flows from financing activities		
Repayment of long-term borrowings	(37,260)	(18,555)
Payment for equipment notes payable	16,102	(22,108)
Decrease in accounts payable-equipment	(4,171)	8,113
Payment for acquisition of treasury stock	-	(239)
Cash dividends paid	(108,392)	(46,526)
Net cash used in financing activities	(133,721)	(79,316)
Increase (decrease) in cash and cash equivalents	311,375	2,012,286
Cash and cash equivalents at beginning of period	1,641,068	2,230,675
Cash and cash equivalents at end of period	1,952,443	4,242,962

(4) Going Concern Assumption

Not applicable.

(5) Segment Information

Operating segment information

First three months of FY3/09 (Apr. 1, 2008 – Jun. 30, 2008)

Given the similarities in the type of products, manufacturing methods and markets, the Group can be considered to operate in a single industry categorized as lamps. Accordingly, no operational segment information is presented.

First three months of FY3/10 (Apr. 1, 2009 – Jun. 30, 2009) *(Thousands of yen)*

	Lamp business	Industrial equipment business	Staffing services business	Total	Elimination or corporate	Consolidated
Net sales						
(1) Sales to third parties	1,008,065	329,532	424,542	1,762,140	-	1,762,140
(2) Intergroup sales and transfers	-	-	4,716	4,716	(4,716)	-
Total	1,008,065	329,532	429,258	1,766,856	(4,716)	1,762,140
Operating income (loss)	(45,317)	(23,226)	1,922	(66,621)	(106,385)	(173,007)

Notes: 1. Business classification is based on categories adopted for purpose of internal management.

2. Major products in businesses

(1) Lamp business: Projector lamps, general halogen lamps, and LED lamps

(2) Industrial equipment business: Industrial machinery, and inspection and measurement equipment

(3) Staffing services business: Temporary placement of engineers, temporary placement of manufacturing workers

Geographical segment information

First three months of FY3/09 (Apr. 1, 2008 – Jun. 30, 2008)

The geographical segment information is not presented since the combined segment sales in Japan represented more than 100% of total sales.

First three months of FY3/10 (Apr. 1, 2009 – Jun. 30, 2009)

The geographical segment information is not presented since the combined segment sales in Japan represented more than 100% of total sales.

Overseas sales

First three months of FY3/09 (Apr. 1, 2008 – Jun. 30, 2008) *(Thousands of yen)*

	N. America	Asia	Other regions	Total
I. Overseas sales	54,821	548,951	4,980	608,754
II. Consolidated sales	-	-	-	1,690,259
III. Overseas sales as a percentage of consolidated sales (%)	3.2	32.5	0.3	36.0

Notes: 1. The geographic segmentation is decided primarily by geographic proximity.
2. Major countries and regions, excluding Japan, included in geographic segmentation:
* North America: The United States, Canada, and Mexico
* Asia: China, Taiwan, Hong Kong, Malaysia, Singapore, India, Saudi Arabia, etc.
* Other regions: Europe, Oceania, South America, Africa, etc.
3. Overseas sales represent sales of the Company and its consolidated subsidiaries, excluding sales in Japan.

First three months of FY3/10 (Apr. 1, 2009 – Jun. 30, 2009) *(Thousands of yen)*

	N. America	Asia	Other regions	Total
I. Overseas sales	98,470	243,521	17,108	359,100
II. Consolidated sales	-	-	-	1,762,140
III. Overseas sales as a percentage of consolidated sales (%)	5.6	13.8	1.0	20.4

Notes: 1. The geographic segmentation is decided primarily by geographic proximity.
2. Major countries and regions, excluding Japan, included in geographic segmentation:
* North America: The United States, Canada, and Mexico
* Asia: China, Taiwan, Hong Kong, Malaysia, Singapore, India, Saudi Arabia, etc.
* Other regions: Europe, Oceania, South America, Africa, etc.
3. Overseas sales represent sales of the Company and its consolidated subsidiaries, excluding sales in Japan.

(6) Significant Changes in Shareholders' Equity

First three months of FY3/10 (Apr. 1, 2009 – Jun. 30, 2009) *(Thousands of yen)*

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	2,133,177	2,563,867	4,384,368	(754,979)	8,326,433
Changes of items during the period					
Dividends from surplus			(46,526)		(46,526)
Net income			(190,688)		(190,688)
Purchase of treasury stock				(239)	(239)
Disposal of treasury stock (exchange of stock)				507,108	507,108
Deduction by exchange of stock		(252,121)			(252,121)
Total changes items during the period		(252,121)	(237,215)	506,869	17,532
Balance at the end of current period	2,133,177	2,311,745	4,147,153	(248,110)	8,343,966

There was a decrease of 507,108 thousand yen in treasury stock and a deduction of 252,121 thousand yen for the exchange of stock in association with the May 1, 2009 exchange of stock with the shareholders of Nippon Gijutsu Center Co., Ltd.

Note: This is a translation of Japanese kessan Tanshin (including attachments), a summary of financial statements prepared in accordance with accounting principles generally accepted in Japan. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the report for complete information.